

EXHIBIT A

The Honorable Robert S. Lasnik

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

YESENIA PACHECO, LUIS LEMUS, and
S.L.P., minor child, by and through her
Guardian ad Litem Brian Comfort,

Plaintiffs,

v.

UNITED STATES OF AMERICA,

Defendant.

Case No. C15-1175 RSL

DECLARATION OF ANNEMARIE H.
McANALLY

In accordance with the provisions of Title 28, United States Code, Section 1746, I, Annemarie H. McAnally, do hereby make the following declaration, under penalty of perjury, pertinent to the above-styled and numbered cause of action.

I have been a principal of Huver & Associates, Inc. since 1996. Huver & Associates, Inc. was a pioneer in the development of the Capital Needs Analysis in 1980 and has actively participated in the evaluation and preparation of over four hundred (400) complex, catastrophic cases since that time. I am currently licensed in the state of Washington as a life agent and am appointed with six A+ rated life insurance companies as a broker/producer.

DECLARATION OF ANNEMARIE H McANALLY
C15-1175-RSL -1

UNITED STATES ATTORNEY
700 STEWART STREET, SUITE 5220
SEATTLE, WASHINGTON 98101
(206) 553-7970

1 Since 1996, I have personally participated in the evaluation and design of over one
 2 hundred fifty (150) catastrophic malpractice cases, developing analysis and recommendations for
 3 funding of various life care plans to both parties. I have a bachelor's from Villanova University,
 4 am a certified structured settlement consultant and have completed the necessary studies for the
 5 Certified Financial Planner (CFP) designation from the CFP Board in Denver, CO. I have
 6 received and reviewed the Life Care Plan for SLP, dated February 4, 2019, prepared by Rebecca
 7 Bellerive, RN, CDMS, CCM, CLCP. I have been asked to evaluate the cost of Option 3 of this
 8 life care plan utilizing a Reversionary Inter Vivos Medical Trust.
 9

10 **Cost of Care**

11 To begin this analysis, the life care plan (LCP) is reviewed thoroughly and the medical
 12 care needs are extracted onto a one-page summary spreadsheet called the Cost of Care. The cost
 13 of care illustrates the costs of the medical services in today's dollars and is broken down by unit
 14 cost, frequency and duration. The unit costs were averaged where presented as ranges in the
 15 LCP. The columns represent the annual costs on a year-by-year basis; even if the column header
 16 shows multiple years grouped together. As an example, the visit to the neurologist at a cost
 17 average of \$300 per visit for two times per year are in each of the columns ages 8, 9, 10, 11 and
 18 12, yet they are grouped together since they continue to occur at the same frequency. The grand
 19 total annual expenses are listed at the bottom of the cost of care and represent the annual costs
 20 on a year by year basis multiplied by the number of years in the column.
 21

22 Since the cost of care is based on today's dollars cost of services, it is necessary to project
 23 these costs in the future, with proper inflators by category of service, to estimate the future costs
 24

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 27 DECLARATION OF ANNEMARIE H McANALLY
 28 C15-1175-RSL -2

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1 over the life expectancy of SLP. These future expenses are detailed in the corresponding
 2 spreadsheet called the Capital Needs Analysis.

3 **Capital Needs Analysis**

4 The Capital Needs Analysis is broken down into two parts; a left side analysis and a right
 5 side analysis. One the left, (Use of Funds) the report shows two categories of expenses, each
 6 inflating at different rates according to historical governmental statistics (CPI, Medical
 7 component as detailed by the U.S Bureau of Labor & Statistics). The two categories in this LCP
 8 are medical care and support care. The columns under each category represent the annual cost
 9 of care (from the life care plan) by subtotal and then in grand total, increasing each year at their
 10 respective medical inflators. The right side of the spreadsheet (Source of Funds) shows the
 11 amount of money needed to meet the medical care needs projected in the LCP on a year by year
 12 basis. The Trust Corpus column shows the initial up-front cash required to seed (open or deposit
 13 into) the trust. This column also displays the projected level of available funds in the trust year
 14 by year assuming 100% utilization of the items projected in the LCP. The Lifetime Annuity Feed
 15 column shows the calculated annuity payment required paying into the trust fund annually, for
 16 the life of the SLP, and the Interest Income column shows the assumed yield on the deposited
 17 funds, and the total income generated by that yield each year.

18 The total cost to fund the LCP (dated February 4, 2019, authored by Rebecca Bellerive,
 19 RN, Option 3) through a Reversionary Medical Trust, owned by the United States of America
 20 for the sole benefit of SLP is \$2,418,092.00. This total cost represents a seed (cash deposit) of
 21 \$1,000,000.00 to fund the trust, and the annuity premium to feed the trust in the amount of
 22 \$1,418,092.00.

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DECLARATION OF ANNEMARIE H McANALLY
 C15-1175-RSL -3
 UNITED STATES ATTORNEY
 700 STEWART STREET, SUITE 5220
 SEATTLE, WASHINGTON 98101
 (206) 553-7970

1 This split funding approach, using a combination of a lifetime tax-free annuity to feed the trust
2 on a periodic basis (monthly), plus a substantial cash deposit provides stability, longevity, and
3 liquidity for unseen medical expenses along with professional money management to the
4 beneficiary (SLP) for her future medical needs. Moreover, the annuity provides additional
5 benefits not found in other trusts which include:
6

- 7 • Tax-free source of income and replenishment to the trust which can be accrued if not
8 needed in any given year.
- 9
- 10 • A transfer of mortality and life expectancy risk since the annuity will continue to pay into
11 the trust for as long as SLP shall live regardless of today's projections.
- 12
- 13 • Providing the trust with a steady stream of income which allows the Trustee (Bank) the
14 opportunity to properly plan for investment purposes.

15 This analysis is also supported with the recommendation to appoint one of two dozen
16 Trustee Banks across the nation who already have specific experience managing these Medical
17 Trusts as well as a professional third party claims administrator; both with experience of over
18 forty (40) years managing Reversionary Inter Vivos Medical Trusts on behalf of over seven
19 hundred (700) individual beneficiaries and their families around the United States of America
20 with circumstances similar to SLP.
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27 DECLARATION OF ANNEMARIE H McANALLY
28 C15-1175-RSL -4

UNITED STATES ATTORNEY
700 STEWART STREET, SUITE 5220
SEATTLE, WASHINGTON 98101
(206) 553-7970

1 I declare under penalty of perjury the foregoing is true and correct to the best of my knowledge.
2
3

4 EXECUTED this 9th day of September, 2020.
5

6 s/Annemarie H. McAnally

7 ANNEMARIE H. MCANALLY
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27 DECLARATION OF ANNEMARIE H McANALLY
28 C15-1175-RSL -5

UNITED STATES ATTORNEY
700 STEWART STREET, SUITE 5220
SEATTLE, WASHINGTON 98101
(206) 553-7970

Huver & Associates, Inc.**Estimated Cost of Care**

(Present Dollars)

Date: 9/1/2020
 Name: Sandra Lemus-Pacheco
 DoB: 8/2/2012

Source: Rebecca Bellerive, RN (Option 3)

	First Year (Age: 8)			Next 2 Years (Age: 9-10)		Next 2 Years (Age: 11-12)		Next 9 Years (Age: 13-21)		Thereafter (Age: 22+)	
	Rate	Freq.	Cost	Freq.	Cost	Freq.	Cost	Freq.	Cost	Freq.	Cost
<u>Medical</u>											
Neurologist	\$300	2	\$600	2	\$600	2	\$600	2	\$600	2	\$600
Dental Anesthesia	\$152	1	\$152	1	\$152	1	\$152	1	\$152	0	\$0
Neuro-Ophthalmology Evaluation	\$468	1	\$468	1	\$468	0	\$0	0	\$0	0	\$0
Occupational Therapy Evaluation	\$300	1	\$300	1	\$300	1	\$300	0	\$0	0	\$0
Speech Therapy Evaluation	\$750	2	\$1,500	1	\$750	1	\$750	0	\$0	0	\$0
Neuropsychological Evaluation	\$3,750	1	\$3,750	1	\$3,750	0.5	\$1,875	0	\$0	0	\$0
<u>Therapies</u>											
Occupational Therapy	\$275	192	\$52,800	48	\$13,200	48	\$13,200	0	\$0	0	\$0
Speech/Cognitive Therapy	\$275	96	\$26,400	6	\$1,650	12	\$3,300	0	\$0	0	\$0
<u>Diagnostic Testing</u>											
EEG	\$1,735	1	\$1,735	0.5	\$868	1	\$1,735	0.44	\$771	0	\$0
EEG Asleep & Awake	\$5,162	0	\$0	0	\$0	0	\$0	0.22	\$1,147	0	\$0
Anticonvulsant Blood Level Work	\$384	2	\$768	2	\$768	1	\$384	1	\$384	1	\$384
Blood Work (full panel)	\$136	2	\$272	2	\$272	1	\$136	1	\$136	1	\$136
MRI	\$4,496	1	\$4,496	0.5	\$2,248	0	\$0		\$0	0	\$0
<u>Medications</u>											
Keppra	\$355	12	\$4,260	12	\$4,260	0	\$0	0	\$0	0	\$0
Oxcarbazepine 300mg	\$300	12	\$3,600	12	\$3,600	12	\$3,600	0	\$0	0	\$0
Oxcarbazepine 600mg	\$203	0	\$0	0	\$0	0	\$0	12	\$2,436	12	\$2,436
Sub-Total:			\$101,101		\$32,886		\$26,032		\$5,626		\$3,556
<u>Support Care</u>											
Adult Family Home Living	\$5,750	0	\$0	0	\$0	0	\$0	0	\$0	12	\$69,000
Sub-Total:			\$0		\$0		\$0		\$0		\$69,000
Grand Total:			\$101,101		\$32,886		\$26,032		\$5,626		\$72,556

HUVER & ASSOCIATES, INC.

CAPITAL NEEDS ANALYSIS

FBO: Sandra Lemus-Pacheco

9/1/2020

Cost: \$2,418,092

USE OF FUNDS

SOURCE OF FUNDS

END OF YEAR	MEDICAL EXPENSES INC @ 3.50%	SUPPORT CARE EXPENSES INC @ 3.00%	TOTAL EXPENSES	ANNUITY FEED \$1,400 / MO INC @ 3%	6.25% INTEREST INCOME*	YEAR-END TRUST CORPUS \$1,000,000 INITIAL SEED
1	\$101,101	\$0	\$101,101	\$16,800	\$59,866	\$975,565
2	\$34,036	\$0	\$34,036	\$17,304	\$60,450	\$1,019,282
3	\$35,228	\$0	\$35,228	\$17,823	\$63,161	\$1,065,039
4	\$28,862	\$0	\$28,862	\$18,358	\$66,237	\$1,120,771
5	\$29,872	\$0	\$29,872	\$18,909	\$69,706	\$1,179,513
6	\$6,682	\$0	\$6,682	\$19,476	\$74,119	\$1,266,426
7	\$6,916	\$0	\$6,916	\$20,060	\$79,562	\$1,359,132
8	\$7,158	\$0	\$7,158	\$20,662	\$85,368	\$1,458,004
9	\$7,409	\$0	\$7,409	\$21,282	\$91,559	\$1,563,435
10	\$7,668	\$0	\$7,668	\$21,920	\$98,160	\$1,675,848
11	\$7,936	\$0	\$7,936	\$22,578	\$105,198	\$1,795,687
12	\$8,214	\$0	\$8,214	\$23,255	\$112,700	\$1,923,429
13	\$8,502	\$0	\$8,502	\$23,953	\$120,697	\$2,059,577
14	\$8,799	\$0	\$8,799	\$24,671	\$129,220	\$2,204,669
15	\$5,756	\$104,369	\$110,125	\$25,412	\$135,145	\$2,255,100
16	\$5,958	\$107,500	\$113,457	\$26,174	\$138,216	\$2,306,033
17	\$6,166	\$110,725	\$116,891	\$26,959	\$141,317	\$2,357,418
18	\$6,382	\$114,046	\$120,428	\$27,768	\$144,443	\$2,409,200
19	\$6,605	\$117,468	\$124,073	\$28,601	\$147,591	\$2,461,319
20	\$6,836	\$120,992	\$127,828	\$29,459	\$150,758	\$2,513,708
21	\$7,076	\$124,622	\$131,697	\$30,343	\$153,939	\$2,566,293
22	\$7,323	\$128,360	\$135,684	\$31,253	\$157,130	\$2,618,992
23	\$7,580	\$132,211	\$139,791	\$32,191	\$160,325	\$2,671,716
24	\$7,845	\$136,177	\$144,022	\$33,156	\$163,518	\$2,724,368
25	\$8,120	\$140,263	\$148,382	\$34,151	\$166,703	\$2,776,840
26	\$8,404	\$144,471	\$152,874	\$35,175	\$169,874	\$2,829,015
27	\$8,698	\$148,805	\$157,503	\$36,231	\$173,024	\$2,880,767
28	\$9,002	\$153,269	\$162,271	\$37,318	\$176,143	\$2,931,957
29	\$9,317	\$157,867	\$167,184	\$38,437	\$179,224	\$2,982,434
30	\$9,643	\$162,603	\$172,246	\$39,590	\$182,257	\$3,032,034
31	\$9,981	\$167,481	\$177,462	\$40,778	\$185,231	\$3,080,581
32	\$10,330	\$172,506	\$182,836	\$42,001	\$188,135	\$3,127,881
33	\$10,692	\$177,681	\$188,373	\$43,261	\$190,958	\$3,173,728
34	\$11,066	\$183,011	\$194,077	\$44,559	\$193,686	\$3,217,896
35	\$11,453	\$188,501	\$199,955	\$45,896	\$196,304	\$3,260,141
36	\$11,854	\$194,157	\$206,011	\$47,273	\$198,798	\$3,300,201
37	\$12,269	\$199,981	\$212,250	\$48,691	\$201,151	\$3,337,794
38	\$12,699	\$205,981	\$218,679	\$50,152	\$203,346	\$3,372,612
39	\$13,143	\$212,160	\$225,303	\$51,656	\$205,362	\$3,404,327
40	\$13,603	\$218,525	\$232,128	\$53,206	\$207,179	\$3,432,584
41	\$14,079	\$225,081	\$239,160	\$54,802	\$208,775	\$3,457,002
42	\$14,572	\$231,833	\$246,405	\$56,446	\$210,126	\$3,477,170
43	\$15,082	\$238,788	\$253,870	\$58,140	\$211,207	\$3,492,646
44	\$15,610	\$245,952	\$261,561	\$59,884	\$211,988	\$3,502,956
45	\$16,156	\$253,330	\$269,486	\$61,680	\$212,441	\$3,507,591
46	\$16,722	\$260,930	\$277,652	\$63,531	\$212,533	\$3,506,004
47	\$17,307	\$268,758	\$286,065	\$65,437	\$212,231	\$3,497,606
48	\$17,913	\$276,821	\$294,733	\$67,400	\$211,496	\$3,481,769
49	\$18,540	\$285,125	\$303,665	\$69,422	\$210,290	\$3,457,816
50	\$19,188	\$293,679	\$312,868	\$71,504	\$208,571	\$3,425,024
51	\$19,860	\$302,490	\$322,350	\$73,650	\$206,292	\$3,382,616
52	\$20,555	\$311,564	\$332,119	\$75,859	\$203,405	\$3,329,762
53	\$21,275	\$320,911	\$342,186	\$78,135	\$199,859	\$3,265,569
54	\$22,019	\$330,538	\$352,558	\$80,479	\$195,596	\$3,189,086
55	\$22,790	\$340,455	\$363,244	\$82,893	\$190,557	\$3,099,292
56	\$23,587	\$350,668	\$374,256	\$85,380	\$184,678	\$2,995,095
57	\$24,413	\$361,188	\$385,601	\$87,941	\$177,892	\$2,875,327
58	\$25,267	\$372,024	\$397,291	\$90,580	\$170,123	\$2,738,738
59	\$26,152	\$383,185	\$409,336	\$93,297	\$161,295	\$2,583,994
60	\$27,067	\$394,680	\$421,747	\$96,096	\$151,323	\$2,409,665
61	\$28,014	\$406,521	\$434,535	\$98,979	\$140,118	\$2,214,227
62	\$28,995	\$418,716	\$447,711	\$101,948	\$127,584	\$1,996,048
63	\$30,010	\$431,278	\$461,288	\$105,007	\$113,619	\$1,753,387
64	\$31,060	\$444,216	\$475,276	\$108,157	\$98,114	\$1,484,382
65	\$32,147	\$457,543	\$489,690	\$111,402	\$80,952	\$1,187,046
66	\$33,272	\$471,269	\$504,541	\$114,744	\$62,009	\$859,257
67	\$34,437	\$485,407	\$519,844	\$118,186	\$41,152	\$498,751
68	\$35,642	\$499,969	\$535,611	\$121,732	\$18,238	\$103,110

* The above interest for each year is calculated on the Corpus at the end of the previous year plus any Feed minus the total Expenses and Fees.